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MINISTRY OF STEEL, MINES & FUEL

(Department of Iron & Steel)

RESOLUTION

New Delhi, the 24th September 1960

No. SC(C)-2(182)/56.—In their Resolution No. IS(A)-2(102)/56, dated the 12th December, 1956, Government of India said that they were of the opinion that the question whether there should be any revision in the conversion charges for bars and rods and the fair retention prices for electric furnace billets produced by the registered re-rollers from 1st January, 1957 onwards required examination and requested the Tariff Commission to conduct the necessary enquiries in this behalf and submit its report.

2 The Tariff Commission have submitted their report. Their main recommendations are:

- (1) The Iron & Steel Controller should assess the capacity of all registered re-rollers after a thorough technical examination of their existing plant and machinery as early as possible.
- (2) The Iron & Steel Controller should take necessary steps to see that the scrap arisings from controlled sources are properly distributed to the electric furnace owners.
- (3) If, on the balance of payments consideration, usable scrap is allowed to be exported as an incentive for the export of unusable scrap, it should be acquired from uncontrolled sources. This will reserve melting scrap from controlled sources for electric furnace owners.
- (4) Every registered re-roller should maintain adequate records to show yields, defectives, scrap and heat loss and should also take immediate steps to introduce suitable costing system at his works.
- (5) The conversion charges payable to the registered re-rollers for untested bars and rods 5/8 inch and above should be Rs. 122/- per ton from 1st January, 1957; Rs. 133/- per ton from 16th May, 1957; and Rs. 131/- per ton from 1st January, 1958 to 31st December, 1960.
- (6) The conversion charges for bars and rods payable from 1st January, 1958 which was based on billet price of Rs. 477/- per ton should be adjusted for changes in the controlled prices of billets when such changes take place in future.
- (7) The fair ex-works retention price payable to the registered re-rollers for electric furnace billets untested category, should be Rs. 369/- per ton from 1st January, 1957; Rs. 410/- per ton from 16th May, 1957; Rs. 411/- per ton from 8th July, 1957; Rs. 409/- per ton from 3rd August, 1957; Rs. 413/- per ton from 1st January, 1958; and Rs. 415/- per ton from 1st February, 1958 to 31st December, 1960.

- (8) The retention price of electric furnace billets should be adjusted for any changes in the prices of commercial quality mild steel melting scrap, turnings/borings scrap as well as the price of ferro-manganese.
 - (9) The units which have come into category of registered re-rollers by option may approach Government for an examination of their costs, should they find their conversion charges materially different from those recommended by the Tariff Commission, after working for a year on billets.
3. Government have considered the recommendations of the Tariff Commission. The Government accept the recommendations (1) to (4) and (7) and (8).

Recommendations (5) and (6) relate to the conversion charges payable to registered re-rollers from 1st January, 1957 onwards and the adjustments to be made in the event of a change in the statutory price of billets. In view of the improved supply position of billets since 1st July, 1959, Government accept the conversion charges recommended by the Tariff Commission for the period 1st January, 1957 to 30th June, 1959. From 1st July, 1959 onwards the difference between the price of billets and bars and rods will be retained by the registered re-rollers as their conversion charges. The same conversion charges will be applicable to all units using billet as the raw material.

ORDER

Ordered that a copy of this resolution be conveyed to all concerned and that it be published in the Gazette of India Extraordinary, Part I, Section 1.

S. BHOOHALINGAM, Secy.